

**THIRD AMENDMENT TO
PURCHASE AND SALE AGREEMENT
AND ESCROW INSTRUCTIONS**

This Third Amendment to Purchase and Sale Agreement and Escrow Instructions (this “**Third Amendment**”) is entered into as of August 31, 2012 by and between **NF Marina, LP**, a California limited partnership (“**Seller**”) and **Archstone Marina Bay Nominee LP**, a Delaware limited partnership (“**Buyer**”). Seller and Buyer are sometimes collectively referred to below as the “**Parties.**”

1. Recitals.

1.1. Seller and Buyer have entered into that certain Purchase and Sale Agreement and Escrow Instructions dated July 3, 2012 (the “**Original Purchase Agreement**”), as amended by that certain First Amendment to Purchase and Sale Agreement and Escrow Instructions dated as of July 9, 2012 (the “**First Amendment**”) and that certain Second Amendment to Purchase and Sale Agreement and Escrow Instructions dated as of August 13, 2012 (the “**Second Amendment**”). The Original Purchase Agreement as amended by the First Amendment and the Second Amendment is referred to herein as the “**Existing Purchase Agreement.**” All capitalized terms used but not defined in this Third Amendment will have the meanings given them in the Existing Purchase Agreement. The Existing Purchase Agreement as amended by this Third Amendment is referred to below as the “**Purchase Agreement.**”

1.2. Seller and Buyer desire to modify certain terms of the Existing Purchase Agreement.

1.3. Therefore, for good and valuable consideration the receipt and sufficiency of which are acknowledged by the Parties, the Parties agree as set forth in this Third Amendment.

2. Release of Portion of the Deposit. The Parties hereby irrevocably instruct Escrow Holder to immediately release a portion of the Deposit equal to One Million Dollars (\$1,000,000) (the “Released Portion”) to Seller. Seller has no obligation to invest the Released Portion or to hold same in any particular manner, or to earn interest thereon for the benefit of Buyer. Notwithstanding anything to the contrary contained herein, the Released Portion (and the balance of the Deposit, together with any interest or earnings accrued thereon) shall continue to be treated in the manner described in, and shall remain subject to the terms and conditions of, the Purchase Agreement (including, without limitation, the obligation to return or refund the Deposit to Buyer, together with any interest heretofore accrued thereon, due to the failure of any conditions precedent, default by Seller, etc.).

3. Closing Date. The Closing will be consummated on, and the Closing Date will be, Friday September 14, 2012.

4. Fulfillment of Certain Closing Conditions. Buyer acknowledges and agrees that the Closing conditions described in the following Sections of the Original Purchase Agreement have been fulfilled: (i) Section 9.1.6 (entitled “Approval of Buyer and Buyer’s Proposed Financing by Los Angeles County Board of Supervisors”); (ii) Section 9.1.7 (entitled “Consents to Assignment and

Assumption of Contracts and Equipment Leases”); (iii) Section 9.1.8 (entitled “Restated Ground Lease Modifications”); and (iv) Section 9.1.11 (entitled “Permits”). Buyer acknowledges that, with respect to the Closing conditions set forth in Sections 9.1.3 and 9.1.10, Buyer understands that the Los Angeles County Board of Supervisors has met and approved the Buyer as the assignee of the ground lessee’s interest under the Ground Lease and Option Agreement, and Buyer acknowledges that upon due and proper exercise of the Option Agreement, the due and proper execution and delivery of the Restated Ground Lease by Los Angeles County, the due and proper execution and delivery by Los Angeles County of its consent to the Assignments, all necessary Ground Lessor Approvals having been obtained and all other obligations of Ground Lessor as set forth in the Purchase Agreement having been performed, the Closing conditions set forth in Sections 9.1.3 and 9.1.10 will have been satisfied.

5. County Guideline Additional Costs. Buyer and Seller hereby agree that the maximum amount for which Seller shall be responsible as it relates solely to the County Guideline Additional Costs in accordance with Sections 8.12.5, 8.12.6 and 8.12.7 of the Purchase Agreement shall be One Hundred Thousand Dollars (\$100,000).

6. Casualty and Condemnation.

6.1. Deletion of Previous Provisions. Section 12 of the Original Purchase Agreement is deleted in its entirety.

6.2. Condemnation.

6.2.1. Buyer's Right to Terminate. If after the Effective Date and prior to the Closing, there occurs the commencement of any eminent domain or condemnation proceedings with respect to any portion of the Property, Buyer shall have the right to terminate this Purchase Agreement until two (2) business days after the date Buyer receives written notice of such damage, taking or condemnation. If Buyer elects to terminate this Purchase Agreement, the portion of the Deposit then held by Escrow Holder (plus any interest or other earnings thereon) or by Seller shall be returned to Buyer, and both parties shall be relieved of any further obligations hereunder, except those which expressly survive the termination hereof. In such event, Buyer and Seller shall each be responsible for the payment of one-half of all escrow costs and cancellation fees.

6.2.2. If No Termination. If Buyer does not terminate this Purchase Agreement pursuant to Section 6.2.1 of this Third Amendment, the obligations of the parties hereunder shall be unaffected and the Parties shall proceed to Closing without reduction of the Purchase Price. In such case, Seller shall deliver to Buyer, on the Closing Date, the applicable condemnation proceeds previously received by Seller.

6.3. Casualty.

6.3.1. Buyer's Right to Terminate. If after the Effective Date and prior to the Closing, there occurs any casualty which shall cost in excess of Ten Percent (10%) of the Purchase Price to repair, Buyer shall have the right to terminate this Purchase Agreement until two (2) business days after the date Buyer receives written notice of such damage. If Buyer elects to

terminate this Purchase Agreement, the portion of the Deposit then held by Escrow Holder (plus any interest or other earnings thereon) or by Seller shall be returned to Buyer, and both parties shall be relieved of any further obligations hereunder, except those which expressly survive the termination hereof. In such event, Buyer and Seller shall each be responsible for the payment of one-half of all escrow costs and cancellation fees.

6.3.2. If No Termination. In the event of the occurrence of any casualty to the Property after the Effective Date and prior to Closing which shall cost up to Ten Percent (10%) of the Purchase Price or less to repair, or if Buyer does not terminate this Purchase Agreement pursuant to Section 6.3.1 of this Third Amendment, the obligations of the Parties hereunder shall be unaffected and the parties shall proceed to Closing without reduction of the Purchase Price. In such case, Seller shall deliver to Buyer, on the Closing Date, the proceeds, if any, of all insurance coverage applicable to such damage previously received by Seller (or an assignment of all insurance proceeds applicable thereto), plus an amount equal to the deductible amount under Seller's casualty insurance policy.

7. Confirmation of No Material Defaults. Each Party attests that to its current actual knowledge as of the date of this Third Amendment, (i) there is no uncured material default by either Party under this Purchase Agreement, (ii) each Party has performed its obligations under the Purchase Agreement in all material respects, and (iii) neither Party is in breach of any representation or warranty which it has made in the Purchase Agreement.

8. Miscellaneous. This Third Amendment may be signed in any number of counterparts, all of which will constitute one and the same agreement. This Third Amendment will inure to the benefit of and will bind the Parties and their respective representatives, heirs, executors, administrators, successors, and assigns. This Third Amendment will be governed by the laws of the State of California. All section headings are inserted for convenience only and may not be used in any way to modify or construe this Third Amendment. If any provision of this Third Amendment is adjudicated to be void, illegal, invalid or unenforceable, the remaining provisions of this Third Amendment will be valid and enforceable to the fullest extent permitted by law. In the event of any dispute regarding this Third Amendment, the prevailing Party will be entitled to its reasonable attorneys' fees and costs as determined by the court or arbitrator having jurisdiction. This Third Amendment is deemed to have been prepared jointly by the Parties and will not be interpreted or construed against either Party as the drafter. Except as expressly modified in this Third Amendment, the Existing Purchase Agreement will continue in full force and effect without change.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Third Amendment as of the day and year first above written.

SELLER:

NF Marina, LP,
a California limited liability company

By: Nagel Family Limited Partnership,
a California limited partnership
Its: Managing Member


By: Nagel Family Living Trust u/a/d December 17, 1987, as amended
Its: General Partner

By: 

Jack M. Nagel, Trustee

By: Friedman Investment Company,
a California limited partnership
Its: Managing Member

By: Friedman Living Trust u/a/d February 28, 1974, as amended
Its: General Partner

By: 

Jacob Friedman, Trustee

BUYER:

Archstone Marina Bay Nominee LP,
a Delaware limited partnership

By: _____
Greg Campbell,
its Group Vice President

IN WITNESS WHEREOF, the Parties have executed this Third Amendment as of the day and year first above written.

SELLER:

NF Marina, LP,
a California limited liability company

By: Nagel Family Limited Partnership,
a California limited partnership
Its: Managing Member

By: Nagel Family Living Trust u/a/d December 17, 1987, as amended
Its: General Partner

By: _____
Jack M. Nagel, Trustee

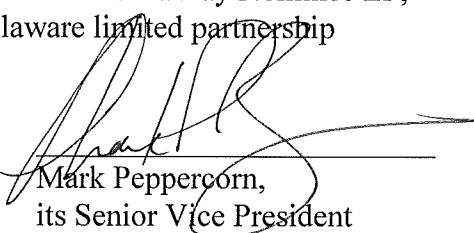
By: Friedman Investment Company,
a California limited partnership
Its: Managing Member

By: Friedman Living Trust u/a/d February 28, 1974, as amended
Its: General Partner

By: _____
Jacob Friedman, Trustee

BUYER:

Archstone Marina Bay Nominee LP,
a Delaware limited partnership

By: 
Mark Peppercorn,
its Senior Vice President

ESCROW HOLDER:

Escrow Holder hereby acknowledges that it has received a fully executed counterpart of this Third Amendment and agrees to act as Escrow Holder hereunder and to be bound by and strictly perform the terms hereof as they apply to Escrow Holder.

CHICAGO TITLE COMPANY

By: _____

Its: _____